

ANNUAL FINANCIAL REPORT
DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
FOR THE YEAR ENDED
DECEMBER 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/4/10

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INDEPENDENT AUDITORS' REPORT

Des Allemands Volunteer Fire Department, Inc.
P.O. Box 817
Des Allemands, Louisiana 70030

We have audited the accompanying financial statements of the governmental activities and each major fund of the Des Allemands Volunteer Fire Department, Inc. (the Fire Department) as of and for the year ended December 31, 2009, which collectively comprise the Fire Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fire Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Des Allemands Volunteer Fire Department, Inc. as of December 31, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2010, on our consideration of the Des Allemands Volunteer Fire Department, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Des Allemands Volunteer Fire Department, Inc.

June 16, 2010

Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

June 16, 2010



Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2009

This section of the Des Allemands Volunteer Fire Department (the Fire Department) annual financial report presents management's analysis of the Fire Department's financial performance for the year ended December 31, 2009. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

1. The Fire Department's net assets increased by \$2,944.
2. The general revenues of the Fire Department were \$293,944.
3. The total expenses of the Fire Department were \$291,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of two sections: Management's Discussion and Analysis and audited financial statements. The financial statements also include notes that provide additional detail of the information included in the financial statements.

BASIC FINANCIAL STATEMENTS

The financial statements of the Fire Department report information about the Fire Department using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the Fire Department.

The Statement of Net Assets presents the current and long-term portions of assets and liabilities separately.

The Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities presents information on how the Fire Department's net assets changed as a result of current period operations.

The following presents condensed financial information of the Fire Department.

SUMMARY OF NET ASSETS
AS OF DECEMBER 31, 2009 AND 2008

	<u>ASSETS</u>	
	December 31, 2009	December 31, 2008
Current assets	\$ 578,606	\$ 508,944
Capital assets, net of accumulated depreciation	974,030	1,037,649
Debt issuance cost, net of amortization	<u>24,542</u>	<u>25,684</u>
Total assets	<u>\$ 1,577,178</u>	<u>\$ 1,572,277</u>

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>LIABILITIES</u>	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Current liabilities		\$ 32,781	\$ 19,001
Long-term liabilities		<u>889,780</u>	<u>901,603</u>
Total liabilities		<u>\$ 922,561</u>	<u>\$ 920,604</u>

	<u>NET ASSETS</u>		
Invested in capital assets, net of related debt		\$ 69,945	\$ 124,181
Unrestricted		499,175	441,995
Restricted for debt service		<u>85,497</u>	<u>85,497</u>
Total net assets		<u>\$ 654,617</u>	<u>\$ 651,673</u>

Total assets increased by \$4,901 (0.3%). This increase was caused primarily by the increase in cash balances.

Total liabilities increased by \$1,957 (0.2%) primarily due to the increase in accounts payable.

Total net assets increased by \$2,944 (0.5%) as a result of operations.

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
General revenues	\$ 293,944	\$ 293,579
Expenditures/ expenses	<u>(291,000)</u>	<u>(326,450)</u>
Change in net assets	<u>\$ 2,944</u>	<u>\$ (32,871)</u>

The change in net assets increased by \$35,815 (109%). This is a result of a decrease in capital outlays for 2009 compared to 2008.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2009

CAPITAL ASSETS

Following is a schedule of capital assets, net of accumulated depreciation:

	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Land	\$ 7,000	\$ 7,000
Buildings and improvements	880,895	922,296
Equipment	68,920	75,185
Vehicles	<u>17,215</u>	<u>33,168</u>
 Total capital assets, net of accumulated depreciation	 <u>\$ 974,030</u>	 <u>\$ 1,037,649</u>

The major additions to capital assets during 2009 consisted of various fire equipment and building improvements.

DEBT

In 2007, the Fire Department borrowed \$920,000 from St. Charles Parish for the construction of a new fire station. As of December 31, 2009, the remaining balance on the loan was \$901,428.

CONTACTING THE FIRE DEPARTMENT'S MANAGEMENT

This report is designed to provide a general overview of the Fire Department and to demonstrate the Fire Department's accountability for its finances. If you have any questions about this report or need additional information, please contact Julie Trosclair, Des Allemands Volunteer Fire Department, P.O. Box 817, Des Allemands, Louisiana 70030.

BASIC FINANCIAL STATEMENTS

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

ASSETS:

Cash	\$ 461,374
Due from Parish	1,836
Prepaid expenses	29,899
Financing escrow, St. Charles Parish	85,497
Debt issuance cost, net of amortization	24,542
Capital assets, net of accumulated depreciation	<u>974,030</u>
 Total assets	 <u>1,577,178</u>

LIABILITIES:

Accounts payable	18,476
Accrued interest payable	2,657
Due to St. Charles Parish:	
Due within one year	11,648
Due after one year	<u>889,780</u>
 Total liabilities	 <u>922,561</u>

NET ASSETS:

Investment in capital assets, net of related debt	69,945
Unrestricted	499,175
Restricted for debt service	<u>85,497</u>
 Total net assets	 <u>\$ 654,617</u>

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

FUNCTIONS/PROGRAMS**GOVERNMENTAL ACTIVITIES:**

Public safety - fire protection	<u>\$ 291,000</u>
Total expenses	<u>291,000</u>
Net (expense) from governmental activities	<u>(291,000)</u>

GENERAL REVENUES:

Sales tax - 1/8 cent	109,402
Ad valorem tax	161,916
Fire insurance rebate	19,290
Other revenues	<u>3,336</u>
Total general revenues	<u>293,944</u>
Change in net assets	2,944
Net assets - beginning	<u>651,673</u>
Net assets - ending	<u><u>\$ 654,617</u></u>

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
BALANCE SHEET
DECEMBER 31, 2009

ASSETS

Cash	\$ 461,374
Due from Parish	1,836
Prepaid expenses	29,899
Financing escrow, St. Charles Parish	85,497
Debt issuance cost, net of amortization	<u>24,542</u>
 Total assets	 <u>\$ 603,148</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	<u>\$ 18,476</u>
 Total liabilities	 <u>18,476</u>

FUND BALANCE:

Reserved for prepaids	29,899
Reserved for debt service	85,497
Unreserved	<u>469,276</u>
 Total fund balance	 <u>584,672</u>
 Total liabilities and fund balance	 <u>\$ 603,148</u>

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009

Fund balance - total governmental funds \$ 584,672

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Net capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the governmental funds. 974,030

Long term liabilities are not due and payable in the current period and,
therefore are not reported in the governmental funds. Interest on
long-term debt is not accrued in governmental funds, but rather
is recognized as an expenditure when due. All liabilities (both current
and long term) are reported in the Statement of Net Assets.

Accrued interest payable (2,657)
Due to St. Charles Parish (901,428)

Net assets of governmental activities \$ 654,617

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

REVENUES:

Sales tax - 1/8 cent	\$ 109,402
Ad valorem tax	161,916
Fire insurance rebate	19,290
Interest income	2,355
Other revenues	<u>981</u>
Total revenues	<u>293,944</u>

EXPENDITURES:

Utilities:	
Electricity	6,923
Gas	396
Telephone	6,622
Water	1,107
Equipment:	
Maintenance	26,052
Fuel	2,597
Insurance	8,684
Buildings:	
Maintenance	7,660
Insurance	15,476
Personnel:	
Incentive pay	740
Insurance	7,077
Medical expenses	3,735
Training	1,400
Fire fighting expenditures:	
Fire fighting supplies	19,279
Miscellaneous:	
Accounting and auditing	4,800
Professional services	1,085
Dues and subscriptions	1,523
Bank service charge	127
Office expenses	6,385
Meetings and other	5,127
Travel	2,741
Capital outlays:	
Equipment purchases and building improvements	40,164
Debt repayment:	
Debt retirement	7,503
Interest expense	58,419
Amortization of debt issuance cost	<u>1,142</u>
Total expenditures	<u>236,764</u>
Excess of revenues over expenditures	<u>57,180</u>
Net change in fund balance	57,180
FUND BALANCE, BEGINNING OF YEAR	<u>527,492</u>
FUND BALANCE, END OF YEAR	<u>\$ 584,672</u>

The accompanying notes are an integral part of this statement

**DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Net change in fund balance - governmental fund	\$ 57,180
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$40,164 were less than depreciation expense of \$103,783 in the current period.	(63,619)
Repayments of note principal are reported as financing uses in governmental funds and thus contribute to the reduction in fund balance. In the Statement of Net Assets, however, repayment of debt decreases the long-term liabilities and does not affect the statement of activities.	7,503
Under the modified accrual basis of accounting used in the governmental funds, interest on long-term debt is not recognized until due, rather than as it accrues.	<u>1,880</u>
Change in net assets of governmental activities	<u>\$ 2,944</u>

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Des Allemands Volunteer Fire Department, Inc. (Fire Department) receives funding from local and state government sources and must comply with the concomitant requirements of these funding source entities. However, the Fire Department is a "primary government" and is not included as a component unit of any other St. Charles Parish governmental "reporting entity" as defined in GASB pronouncements, since the entity is a non-profit corporation, and the board members have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Fire Department includes all activities that are controlled by it as a quasi-public non-profit corporation organized to provide fire protection to the Parish of St. Charles. The Fire Department has no component units.

The accounting and reporting policies of the Fire Department conform to generally accepted accounting principles as applicable to governmental units.

Basis of Presentation

The Fire Department's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Fire Department are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

The Fire Department's basic financial statements include both government-wide (reporting the Fire Department as a whole) and fund financial statements (reporting the Fire Department's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Fire Department's fire protection activities and related general administrative services are classified as governmental activities. The Fire Department does not have any business-type activities.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Government-Wide Financial Statements (GWFS)
(continued)

The government-wide Statement of Net Assets (Exhibit A) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The Fire Department's net assets are reported in three parts – invested capital assets, restricted for debt service, and unrestricted net assets.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of the Fire Department's function. The function is supported by general government revenues (1/8 cent sales tax and ad valorem tax). The Fire Department does not receive related program revenues and operating grants which would reduce gross expenses in the Statement of Activities.

This government-wide focus is on the sustainability of the Fire Department as an entity and the change in the Fire Department's net assets resulting from current year's activities.

Basic Financial Statements – Fund Financial Statements (FFS)

The financial transactions of the Fire Department are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The Fire Department's current operations require the use of only the following fund type:

Governmental Fund:

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In general, fund balance represents the accumulated expendable resources, which may be used to finance future operations of the Fire Department.

General Fund

The General Fund is the principal fund of the Fire Department and is used to account for the operations of the Fire Department. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

The Fire Department records are maintained on the cash basis of accounting. However, the General Fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

Revenues

Sales taxes are recorded in the month the taxes are collected by the St. Charles Parish School Board. Sales taxes become payable to the St. Charles Parish School Board on the first day of the month and become delinquent on the 20th day of the month following incurrence of the taxes by businesses.

An ad valorem issue is dedicated to the operations of the nine volunteer fire departments in St. Charles Parish. The tax millage expires in 2020. Each department is to receive one ninth of annual collections. Taxes levied in November each year are available for expenditures in the subsequent year.

Interest income on investments is recorded when the investments have matured and income is available.

All other revenues are recorded when received.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (continued)

Revenues (continued)

The majority of the Fire Department's revenues are derived from the one-eighth of one percent sales tax and the ad valorem tax for operations.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Cash

The Fire Department is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. The Fire Department may also invest in time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, these deposits must be secured by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

At December 31, 2009, the Fire Department had \$469,085 in deposits (collected bank balances). These deposits are secured from custodial credit risk by \$250,000 of federal deposit insurance (GASB Category 1) and \$219,084 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Court that the fiscal agent has failed to pay deposited funds upon demand.

Budgets and Budgetary Accounting

The Fire Department was not required to prepare a budget for the year ended December 31, 2009.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fire Department maintains a threshold level of \$1,000 or more for capitalizing capital assets. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are recorded in the Statement of Net Assets and depreciation is recorded in the Statement of Activities. Since surplus assets are sold for an immaterial amount or scrapped when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Computer and communications equipment	5 years
Equipment	5 years
Other vehicles	5 years
Fire trucks	10 years
Fire stations and other buildings	20 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition.

Debt Issue Cost

Debt issue costs are being amortized using the straight-line method over the life of the bond. Amortization expense was \$1,142.

Date of Management Review

Management has evaluated subsequent events through June 16, 2010 the date which the financial statements were available to be issued.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

(2) SALES TAX REVENUE

Effective March 1, 1980, sales tax in the amount of one-eighth of one percent is collected by the St. Charles Parish School Board and administered by the Parish President. The sales tax is to be used for fire protection of the Parish of St. Charles. The funds are distributed monthly by the Parish President to the individual fire departments of the St. Charles Parish Firemen's Association, Inc. For December 31, 2009, the sales tax is distributed on the following basis:

	Monthly Basis	Percent of Remaining Funds 1/1/09-12/31/09
Bayou Gauche Volunteer Fire Dept., Inc.	\$ 2,500	3.86%
Des Allemands Volunteer Fire Dept., Inc.	\$ 2,500	4.43%
East Side St. Charles Volunteer Fire Dept., Inc.	\$ 2,500	23.47%
Hahnville Volunteer Fire Dept., Inc.	\$ 2,500	6.82%
Killona Volunteer Fire Dept., Inc.	\$ 2,500	1.52%
Luling Volunteer Fire Dept., Inc.	\$ 2,500	29.43%
Norco Area Volunteer Fire Dept., Inc.	\$ 2,500	9.75%
Paradis Volunteer Fire Dept., Inc.	\$ 2,500	4.64%
St. Rose Volunteer Fire Dept., Inc.	\$ 2,500	16.08%

(3) DUE FROM PARISH

Revenue receivable at December 31, 2009 consists of the Fire Department's share of the 1/8th cent sales tax for the month of November 2009, collected on or before December 20, 2009 by the St. Charles Parish School Board and remitted by St. Charles Parish in January 2010.

An allowance for uncollectible receivables is not recorded by the Fire Department because it considers all receivables collectible at December 31, 2009.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

(4) CAPITAL ASSETS

	<u>Balance</u> <u>1/1/09</u>	<u>Additions</u> <u>2009</u>	<u>Retirements</u> <u>2009</u>	<u>Balance</u> <u>12/31/09</u>
Fire protection vehicles	\$ 864,252	\$ -	\$ -	\$ 864,252
Equipment	773,596	27,182	-	800,778
Buildings	1,095,958	12,982	-	1,108,940
Land	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
	2,740,806	40,164	-	2,780,970
Less: accumulated depreciation	<u>(1,703,157)</u>	<u>(103,783)</u>	<u>-</u>	<u>(1,806,940)</u>
Total capital assets, net	<u>\$ 1,037,649</u>	<u>\$ (63,619)</u>	<u>\$ -</u>	<u>\$ 974,030</u>

Depreciation expense for the year ended December 31, 2009 was \$103,783.

(5) LONG-TERM DEBT

	<u>Balance</u> <u>1/1/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/09</u>	<u>Due Within</u> <u>One Year</u>
Intergovernmental payable to St. Charles Parish, interest rates ranging from 4.45% to 6.45%, maturing on August 1, 2038. Secured by a pledge of future sales tax.	\$ 908,931	\$ -	\$ 7,503	\$ 901,428	\$ 11,648

Following is a summary of future principal and interest requirements:

<u>Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 11,648	\$ 57,802	\$ 69,450
2011	12,422	57,028	69,450
2012	13,248	56,202	69,450
2013	14,128	55,322	69,450
2014	15,066	54,384	69,450
2015-2038	<u>834,916</u>	<u>777,521</u>	<u>1,612,437</u>
	<u>\$ 901,428</u>	<u>\$ 1,058,259</u>	<u>\$ 1,959,687</u>

Interest costs incurred and charged to expense for the year ended December 31, 2009 was \$56,539.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

(6) RISK MANAGEMENT

The Fire Department is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to firemen; and natural disasters. The Fire Department carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.

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J.V. LECLERE KRENTEL - RETIRED

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Des Allemands Volunteer Fire Department, Inc.
P.O. Box 817
Des Allemands, Louisiana 70030

We have audited the financial statements of governmental activities, and each major fund of the Des Allemands Volunteer Fire Department, Inc. (the Fire Department) as of and for the year ended December 31, 2009, which collectively comprise the Fire Department's basic financial statements and have issued our report thereon dated June 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Des Allemands Volunteer Fire Department, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Des Allemands Volunteer Fire Department, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fire Department's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as item 2009-1 in the accompanying schedule of findings and responses to be a material weakness.

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Des Allemands Volunteer Fire Department, Inc.

June 16, 2010

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Compliance

As part of obtaining reasonable assurance about whether the Des Allemands Volunteer Fire Department, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Des Allemands Volunteer Fire Department, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Des Allemands Volunteer Fire Department, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Des Allemands Volunteer Fire Department, Inc., St. Charles Parish and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 16, 2010



Certified Public Accountants

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2009

We have audited the financial statements of Des Allemands Volunteer Fire Department, Inc. as of and for the year ended December 31, 2009, and have issued our report thereon dated June 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

SECTION I SUMMARY OF AUDITORS' REPORTS

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☒ Yes ☐ No

Significant Deficiencies ☐ Yes ☒ No

Compliance

Non-Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards Not Applicable

Internal Control

Material Weaknesses ☐ Yes ☐ No

Significant Deficiencies ☐ Yes ☐ No

Type of Opinion on Compliance Unqualified ☐ Qualified ☐
for Major Programs Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs: Not Applicable

CFDA Number(s)	Name of Federal Program (or Cluster)

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Dollar threshold used to distinguish Type A and Type B Programs \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

☐ Yes ☐ No **Not Applicable**

SECTION II FINANCIAL STATEMENT FINDINGS

2009-1 Segregation of Duties

Criteria: Safeguarding of assets requires adequate segregation of duties in an effective internal control structure. No one person should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition: Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives regarding cash receipts and disbursements.

Effect: Intentional or unintentional errors could be made and not be detected.

Cause: The Department is small and therefore it is not feasible to maintain an adequate segregation of duties among accounting personnel.

Recommendation: The Board of Directors should remain involved in the day-to-day financial affairs of the Department to provide oversight and independent review functions. The bookkeeper should not be an authorized check signer and should not have access to cash receipts. Instead, someone independent of the bookkeeper should prepare a list of checks received and should make bank deposits. The list would be given to the bookkeeper for general ledger recording.

Management's Response: Management agrees with the recommendation; however, because of the small number of personnel in the Department it is not possible to remove the bookkeeper from the depositing and check signing responsibilities. The Board of Directors, however, thoroughly monitors and reviews all financial transactions of the Department.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

2008-1 Segregation of Duties

Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives relative to cash receipts and disbursements.

The Department is small, and it was determined not to be feasible to maintain adequate segregation of duties. This issue remains unresolved.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

Not Applicable

SECTION III MANAGEMENT LETTER

Not Applicable